

## Pre-Tax Contributions Save Members Money

# Plan Offers Tax-Deferred Boost to Retirement Savings

### Participating in the SDRS

Supplemental Retirement Plan (SRP) is an easy way for SDRS members to save pre-tax dollars for their retirement. Available to all SDRS members, the SRP is a voluntary, tax-deferred savings plan. That means members pay no taxes on SRP contributions, interest, capital gains or dividends until the money is withdrawn.

By deferring taxes, employees have more money to save before retirement, increasing their retirement income and providing greater financial stability for themselves and their families.

### Additional Savings Add Financial Flexibility

While SDRS and Social Security benefits provide the majority of retirement income for SDRS members, most will want additional income to provide a cushion in case of emergency, to accommodate major purchases, or to fund travel, hobbies or recreation. The SRP offers an easy, tax-saving way to invest dollars for extra retirement income.

For 2006, the IRS allows members to contribute a minimum of \$25 per month, up to \$15,000 per year, of their pre-tax income to an

SRP account. The plan's catch-up provision even allows eligible participants to contribute more as they near retirement age. Members can also transfer (or "roll over") savings from other qualifying retirement accounts, such as 401(k) plans or IRAs, into the SRP.

### An Easy Way to Invest Consistently

Contributions to the SDRS Supplemental Retirement Plan are deducted each pay period from the employee's base pay. Automatic payroll deduction means members don't experience the hassle of writing a check each month or the temptation to spend the money elsewhere.

As members' plans or financial circumstances change, they can easily adjust the amount of their SRP contributions. However, members can't withdraw money from their SRP accounts except upon termination of employment or in the event of an unforeseeable emergency. Federal law defines such an emergency as severe financial hardship resulting from unexpected illness or injury. Members are encouraged to contact June Larson at the SRP office should they have any questions regarding a withdrawal of funds from their SRP account.

## More for the Money with Pre-Tax Savings



Tax-deferred savings let employees invest funds for retirement with less impact on their paychecks. For an employee who is single and grosses \$1,250 per pay period,

depositing \$50 in an after-tax savings account leaves take-home pay of

**\$850\***

depositing \$50 in a pre-tax savings account leaves take-home pay of

**\$864\***

\*All figures are estimated; a member's individual circumstances and net pay may differ.

...continued on the following page

## Plan Offers Tax-Deferred Boost to Retirement Savings...continued

Upon a member's death, beneficiaries may receive benefits drawn from any dollars remaining in the member's SRP account.

### The Power of Choice

Because the SRP is a personal investment plan, participants choose how their money will be invested by selecting mutual funds compatible with their individual risk tolerance. The SRP offers 13 different investment alternatives, ranging from low-risk money market funds to higher-risk (but also potentially higher-earning) growth funds.

Any member can use the variety of tools available on the SRP Web site to determine risk tolerance and investment needs. From the SRP main page ([www.srp457.com](http://www.srp457.com)), select the "Employee" section, then choose the "Investment Education" tab.

### Plan Dollars Are Well-Managed

To offer members the SRP program, SDRS contracts with Nationwide Retirement Solutions,

Inc., a company with more than 30 years' experience in providing administrative support to state and local governments offering tax-deferred retirement options. Nationwide processes contributions and mutual fund purchases, tracks and reports on each participant's account and provides general investment information. Nationwide also handles members' requests for early withdrawals when situa-

tions arise that qualify as an emergency under federal law.

The South Dakota Investment Council, the body that manages the investment of the SDRS trust fund, selects the mutual fund options available to SRP participants. Those investment alternatives are carefully researched and reviewed annually with the goal of providing an assortment of quality low-cost funds. 

### Supplemental Plan Offers Flexible Withdrawal Options

At retirement, members may withdraw their Supplemental Retirement Plan savings in one of three ways:

- » as a lump sum (or partial lump sum) payment
  - » as a lifetime annuity (i.e., a guaranteed dollar amount for life)
  - » in the form of periodic payments calculated as either
    - a percentage of the total fund paid over a fixed time period
- or

- a monthly fixed dollar amount paid until funds are depleted

Distributions from an SRP account must begin before the later of (a) April 1 following the calendar year in which the member turns 70 ½ or (b) April 1 following the calendar year in which the member terminates service.



*Members Can Call or E-mail*

## SRP Enrollment Is Quick and Simple

An easy, tax-deferred way to invest extra dollars for retirement, the SDRS Supplemental Retirement Plan (SRP) is a voluntary program open to all SDRS members. Help members of your unit become informed about the SRP by directing them to the SDRS Web site, [www.sdrs.sd.gov](http://www.sdrs.sd.gov).

### Educating SDRS Members

Does the packet you give to new SDRS members include information about the SRP? If not, contact the plan manager at Nationwide Retirement

Solutions, June Larson, for copies of the plan brochure. Her number is (605) 224-2230 or toll-free (800) 959-4457.

Fielding questions about the SRP? You can ask June to conduct an on-site presentation about the Supplemental Retirement Plan.


### Members Enroll Directly with SRP

Members interested in opening SRP accounts enroll directly with the plan manager. As authorized agent, your responsibility is to refer

them to the SDRS Web site ([www.sdrs.sd.gov](http://www.sdrs.sd.gov)) or to the plan manager at

#### SDRS Supplemental Retirement Plan

207 E. Capitol Ave., Suite D  
Pierre, SD 57501  
(605) 224-2230  
(800) 959-4457

Following a member's enrollment, check to be sure that the appropriate changes are made in payroll and that account contributions are remitted to SRP monthly. 

## The Pierre Team of Larson and Phelps SRP Office Streamlines Plan Administration

**It's the season when people think** about resolutions, and the phone at the Supplemental Retirement Plan (SRP) office is ringing off the hook. "This is an exciting time of year for us," explains **June Larson**, SRP plan manager. "As SDRS members start the new year, they begin thinking about saving more for retirement. That's when we get involved."

Larson works out of the Pierre, South Dakota, office of Nationwide Retirement Solutions, the


company that contracts with SDRS to provide the Supplemental Retirement Plan (SRP). Larson oversees customer service, marketing, education, and enrollment activities of the SRP office.

Larson may be familiar to authorized agents from training sessions or SDRS regional meetings, where she makes presentations on the plan. She also travels across the state at the request of employers to speak at staff meetings, group presentations and one-on-one meetings.

When agents call the SRP office to ask for information or to set up a presentation, they might talk to **Marlyce Phelps**, administrative secretary. Phelps also answers questions about the plan and assists members in enrolling or in changing the amount of their plan contributions.

"We try to keep SRP participation as streamlined as possible for authorized agents," Larson says. "Once a member contacts us, we handle all the paperwork. All the agent has to do is make sure account contributions are remitted, via check or electronically, to the SRP each pay period. When it

comes to the SRP, our motto is 'We'll take it from here.'"

In addition to the Pierre office staff, representatives based in Nationwide's corporate office are available to SDRS members and agents weekdays from 7 a.m. to 8 p.m. CST. By calling (800) 959-4457, members can reach Nationwide's automated system 24 hours a day, seven days a week. "Plan participants can also get account information through our secure Web site, [www.srp457.com](http://www.srp457.com). The site updates account information daily and provides interactive retirement planning tools," says Larson. 



Manager of the NRS Pierre office, June Larson is involved in all aspects of SRP administration, including employee education, enrollment and customer service.

### Authorized Agents' Training Scheduled for 2006

SDRS will conduct two training sessions for authorized agents in 2006. The session on August 23 will be held in Mitchell; the session on October 25 will be held in Spearfish. Authorized agents will receive additional information about the sessions as the dates near.

## The Way It Works Request Forms by E-mail for Quick Response


**Form E-1 to enroll new members**, Form B-1 to report a member's termination — an authorized agent uses a number of forms to document a member's status with SDRS. Keeping a supply of these forms readily at hand simplifies the process and eases your workload.

Requesting forms from SDRS

electronically is an efficient way to make sure you get what you need promptly. Use the address [SDRSWeblink@state.sd.us](mailto:SDRSWeblink@state.sd.us), or link to it directly from the SDRS Web site at [www.sdrs.sd.gov](http://www.sdrs.sd.gov). Forms will be shipped to you upon receipt of your request.

You may also replenish your supply of forms by calling the

SDRS office at (605) 773-3731.

Remember that a number of forms have been revised recently. The date in the lower left-hand corner should be 07-05 on forms E-1, E-1a, E-4, E-5 and B-1. Discard any forms displaying an earlier date, and e-mail or call SDRS to request replacements. 



## SDRS STATE-WIDE INDIVIDUAL COUNSELING SCHEDULE

SCHEDULE DATE	COUNTY	LOCATION	ADDRESS	DEADLINE TO SCHEDULE*
January 31, 2006	Custer	Custer, Community Center	447 Crooks Street	January 26, 2006
February 7, 2006	Edmunds, McPherson	Eureka, Fire Hall	502 F Avenue	February 2, 2006
February 14, 2006	Jones, Mellette	Murdo, Jones Co. Courthouse	310 Main Street	February 9, 2006
February 21, 2006	Hutchinson, Douglas	Parkston, Senior Center	Main Street	February 16, 2006
February 28, 2006	Minnehaha	Sioux Falls (other than schools) Ramkota	2400 N Louise	February 23, 2006
March 7, 2006	Moody	Flandreau, County Courthouse	101 E Pipestone Avenue	March 2, 2006
March 15, 2006	Brookings	Brookings, Brookings Inn	2500 E 6th Street	March 10, 2006
March 21, 2006	Todd	Mission, School Campus	Administration Building	March 16, 2006
March 28, 2006	Pennington	Rapid City (other than schools) Ramkota	2111 N Lacrosse	March 23, 2006
April 4, 2006	Charles Mix	Platte, 1ST Fidelity Bank	501 Main Street	March 30, 2006
April 11, 2006	Marshall	Britton, Community Building	909 S Main Street	April 6, 2006

\* Individual retirement counseling sessions must be scheduled before noon on this date.

## Memorial Event to Honor State's Vietnam-Era Veterans



One of the largest events in the state's history will bring thousands to Pierre to dedicate a new Vietnam War memorial. Scheduled for September 15 and 16, 2006, on the grounds of the State Capitol, the event will honor the more than 28,000 South Dakotans who served during the Vietnam War era and the 207 who died in that conflict.

"I invite all Vietnam-era veterans who call South Dakota home to join us for a very special 'thank you' and 'welcome home' for their service," said South Dakota Governor Mike Rounds.

Plans for the dedication event include fireworks, a parade and displays of Vietnam-era military equipment and aircraft, including the Huey helicopter. A traveling exhibit modeled after the national Vietnam War memorial in Washington, D.C., will also be featured. While at the event, veterans who wish to find their wartime comrades can sign up at the "Find a Buddy" tent.

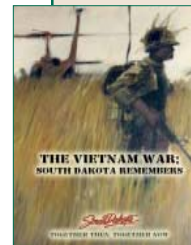
In addition to popular regional entertainers, there will be performances by the Beach Boys, Creedence Clearwater Revisited, and the Red Willow Band.

The dedication event will be funded entirely by donations from individuals and businesses. To make a donation or learn more about the event, visit the state's Vietnam War memorial Web site at [www.sdvietnamwarmemorial.com](http://www.sdvietnamwarmemorial.com).

### Vets Should Register Now for Inclusion in Commemorative Book

Veterans are urged to visit the state's Vietnam War Memorial Web site, [www.sdvietnamwarmemorial.com](http://www.sdvietnamwarmemorial.com), to register for inclusion in the state's official record of South Dakotans who served during the Vietnam War.

Those who register and supply information about their service will also be included in *The Vietnam War: South Dakota Remembers*, a commemorative book that will be available for purchase at the dedication event.



Published by the Pierre Area Chamber of Commerce, the book features biographies, stories and photographs submitted by veterans and their spouses, family members and friends. For more information, visit the Chamber's Web site, [www.pierre.org](http://www.pierre.org).